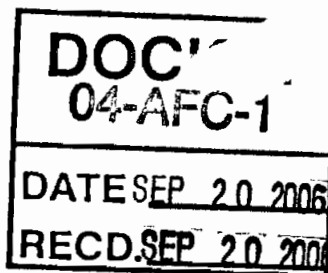


Memorandum



September 20, 2006

From **Bill Pfanner**

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Subject: **San Francisco Electric Reliability Project (04-AFC-1):
Presiding Member's Proposed Decision (PMPD)**

The staff has completed its review of the Presiding Member's Proposed Decision (PMPD) for the San Francisco Electric Reliability Project (SFERP) dated August, 2006. Staff has identified comments in five technical areas. These comments are minor corrections and clarifications that are fully supported in the record and are not substantive. The technical areas identified include:

- Project Alternatives
- Hazardous Materials Management
- Waste Management
- Worker Safety and Fire Protection
- Soil and Water Resources

Staff's comments on the PMPD are as follows:

Project Alternatives

1. Page 19, footnote 8 should be modified to say "The requirement for new generation north of Martin Substation reflects the CAISO's position that the existing Potrero power plants Unit 3 could be retired if at least three of the four combustion turbines available to San Francisco are located north of the Martin Substation."
2. Page 28, Findings and Conclusions, item 4 states: "No site alternative is capable of meeting the project objectives." This is not correct - Potrero Unit 7 meets all project objectives. Staff suggest changing item 4 as follows:

"No site alternative is capable of meeting the project objectives and siting criteria."

Hazardous Materials Management

3. Page 152, second paragraph, line 8, reads:"event of a catastrophic release, the concentration would exceed 35 ppm only at...". Staff suggests that the number be changed to read "the staff's level of significance of 75 ppm only at..."

Reason: Staff uses a threshold level of significance of 75 ppm. It was Intervenor Sarvey who raised the issue of 35 ppm. Neither the staff nor the Applicant considered 35 ppm as a level to be used or modeled. Therefore, the testimony established that the concentration of ammonia would exceed 75

ppm only at the project's Western Boundary. There is no evidence to determine at what specific distance 35 ppm would be exceeded.

4. Page 152, third paragraph, line 4, reads: "...modeling, a public off-site receptor could be exposed to a maximum ammonia..." Staff suggests that this line be revised to add the word "not" and thus read as follows:

"modeling, a public off-site receptor could not be exposed to a maximum ammonia".....

Reason: Including the word "not" makes the statement accurate.

5. Page. 153, first paragraph, reads: "Brief, pp. 100-03; Staff Opening Brief, p. 24.) This level would not be detectable". Staff suggests that the following be added so as to read:

"Brief, pp. 100-03; Staff Opening Brief, p. 24.) Furthermore, as determined by staff, the maximum level of ammonia that the general off-site public could be exposed to would not be detectable" to the nearest residents.

Reason: As written, the PMPD appears to state that 75 ppm would not be noticeable by the public. Since the odor threshold for ammonia is around 5 ppm, this is not correct. Making the suggested changes removes this inaccuracy.

6. Page 155, Findings and Conclusions, #3. This Finding should read:

"A concentration of 75 ppm or less would not cause significant adverse impacts."

Waste Management

7. Page 165, second paragraph, the third sentence reads as follows:" It will be treated off-site." The sentence should be revised to read:

"It will be treated to tertiary standards on site."

8. Page 171, proposed Condition WASTE-2, first paragraph on that page should be revised to read as follows:

Depending on the nature and extent of contamination, the Registered Professional Engineer or Geologist shall have the authority to temporarily suspend construction activity at that location for the protection of workers or the public. If, in the opinion of the Registered Professional Engineer or Geologist, significant remediation may be required, the project owner shall contact representatives of the San Francisco Bay Regional Water Quality Control Board (SFBRWQCB) and the San Francisco Department of Public Health (SFDPH) if the contamination is found on the site, and shall contact the San Francisco Fire Department, and the Berkeley Office of Department of Toxic Substances Control (DTSC) and the San Francisco Department of Public Health if the contamination is found on the linear facility routes, for guidance and possible oversight.

Reason: WASTE-2 should be revised to remove the requirement to notify the SF Fire Department. This requirement is somewhat redundant in that the SF Department of Public Health will notify the Fire Department if contamination found by the engineer poses a fire hazard. WASTE-2 is also revised to clarify the requirement for notification of the San Francisco Bay Regional Water Quality Control Board (SFBRWQCB) if additional contamination is encountered on the site and to notify the Department of Toxic Substances Control (DTSC) if contamination is encountered in the linear facility routes (e.g., the water line located off-site). This minor clarification is necessary because of the

differing jurisdictions involved. The SF Dept. of Public Health will be notified regardless of where contamination is encountered.

Worker Safety/Fire Prevention

9. Page 175, the third line from the bottom reads: "...both of which must be reviewed by the appropriate agencies prior to project..." Staff suggests changing "appropriate agencies" to "Compliance Project Manager" as follows:

"...both of which must be reviewed by the Compliance Project Manager prior to project..."

Reason: The requirement that both the Construction and Operations Safety and Health Programs be reviewed by an agency (in this case Cal/OSHA) was removed from the Conditions of Certification two years ago because Cal/OSHA did not want to review these programs. Thus, the only "agency" reviewing and approving these programs prior to construction or operations is the Energy Commission's Compliance Project Manager.

Soil and Water Resources

10. Page 231, paragraph 2, third sentence: "A dual pumping system will prevent mixing..." should be changed to: A dual ~~pumping~~ plumbing system will prevent mixing...

11. Page 232, paragraph 2, last sentence: "Conditions of Certification will require additional data." should be changed to:

In response to requests by Energy Commission and Regional Board staff, the Applicant collected additional data at the SFERP site during the environmental review phase prior to licensing.

Reason: Additional data was collected after completion of the Final Staff Assessment.

12. Page 232, paragraph 3, last sentence: "Nevertheless, additional studies will be required." should be changed to:

Nevertheless, additional studies will be required to assess risks to human health and the environment to determine if remediation is required to address potential risks.

Reason: A more specific objective for additional studies will provide focus for these studies.

13. Page 233, Human Health Risk Assessment (HRA) description, first sentence: "This will measure human health risk ... from remediation activities (if required) and site construction (including risks to workers)." should be changed to:

This will measure human health risk... from remediation activities (if required), site construction (including risks to workers), and site operation (including risks to workers).

Reason: Health risks associated with facility operation personnel may require protection levels that differ from remediation and construction.

14. Page 234, first full paragraph, first sentence: "The purpose... as required to protect public health and worker safety." should be changed to:

The purpose... as required to protect public health, worker safety, and the environment.

Reason: The purpose of mitigation is to protect the general public and the environment; in addition to the protection of site workers.

15. Page 234, first full paragraph, third sentence: "To protect public health ... performance standards are included in Conditions of Certification **Waste-6 and Soil and Water-13.**" should be changed to:

To protect public health ... performance standards are included in Conditions of Certification **Waste-9 and Soil and Water-13.**